



24 December 2010

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir,

Fitzroy Resources Limited – Securities Trading Policy

Please find attached a copy of the Fitzroy Resources Limited Securities Trading Policy, lodged with ASX in accordance with ASX Listing Rule 12.9 which takes effect on 1 January 2011.

Yours Sincerely

A handwritten signature in black ink that reads "S. Robertson".

Simon Robertson  
Company Secretary

## **Securities Trading Policy**

### **Purpose of the Securities Trading Policy**

This Securities Trading Policy and the procedures herein have been produced to provide guidance to Directors, the Company Secretary and employees of Fitzroy Resources Limited, and their Associates, when Dealing in Fitzroy Resources Limited Securities taking into account the size, nature and stage of development of the Company and the obligations under the Corporations Act not to Deal in the Company's Securities whilst in possession of Inside Information.

### **Policy on Trading in Fitzroy Resources Limited Securities**

Directors, the Company Secretary and employees (or their Associates) of Fitzroy Resources Limited:

- must not Deal in any Security of Fitzroy Resources Limited whilst in possession of Inside Information;
- must not engage in short term trading of any Securities of Fitzroy Resources Limited;
- must seek approval in accordance with the procedure set out below prior to Dealing in any Securities of Fitzroy Resources Limited.
- Must not trade during the Closed Period except in Exceptional Circumstances.

### **Breaching the Securities Trading Policy**

A breach of the Securities Trading Policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law. Insider trading is a criminal offence which is punishable by fines and imprisonment, or both, and may also lead to civil actions which may result in substantial penalties or compensation being awarded to persons suffering loss or damage due to the insider trading.

### **Dealing in Fitzroy Resources Limited Securities**

Subject to the requirements of the Corporations Act and the policy set out above, a Director, the Company Secretary or employee, or their Associate, may:

- (a) Deal in any Security of Fitzroy Resources Limited provided that the person does not have information that he or she knows, or ought reasonably to know, is Inside Information in relation to the Company's Securities;
- (b) not Deal or procure another person to Deal in any Security of Fitzroy Resources Limited if he or she has information that he or she knows, or ought reasonably to know, is Inside Information in relation to the Company's Securities;
- (c) not, except in Exceptional Circumstances, Deal in any Security of Fitzroy Resources Limited within 5 days prior to the release of:
  - any announcement containing Inside Information;
  - Material exploration results;
  - resource or reserve estimates;
  - results of technical studies and
  - a capital raising (except participation by a Director, the Company Secretary or employee in the capital raising itself) by the Company

**(“Closed Period”);**

**Excluded trading**

This Policy does not prohibit Dealing in the Company’s Securities in the following circumstances:

- (a) transfers of Securities already held into a superannuation fund or other saving scheme in which the Director, the Company Secretary or employee is a beneficiary;
- (b) transfers of Securities where there is no change in beneficial ownership;
- (c) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (d) where a Director, the Company Secretary or employee is a trustee, trading in Securities by that trust provided the Director, the Company Secretary or employee is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Director, the Company Secretary or employee;
- (e) undertakings to accept, or acceptance of, a takeover offer;
- (f) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements;
- (g) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed Period]; and
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
  - i. the Director, the Company Secretary or employee did not enter into the plan or amend the plan during a Closed Period;
  - ii. the trading plan does not permit the Director, the Company Secretary or employee to exercise any influence or discretion over how, when, or whether to trade; and
  - iii. the entity's trading policy does not allow for the cancellation of a trading plan during a Closed Period other than in exceptional circumstances.
- (i) the issue of grant of Securities by the Company to a Director, the Company Secretary or employee where shareholder approval for the issue of the Securities has been obtained and if Inside Information exists both the Company and Director, the Company Secretary or employee are fully aware of the Inside Information.

**Approval to be sought before Dealing in Securities**

Directors, the Company Secretary and employees must receive approval for any proposed Dealing in the Company’s Securities as follows:

- (a) the Chairman must inform and receive approval from the Managing Director (or if not available, from another Director), prior to undertaking a transaction;
- (b) the managing Director must inform and receive approval from the Chairman (or if not available, from another Director), prior to undertaking a transaction ;

- (c) a Director, (other than the Chairman and managing Director), must inform and receive approval from the Chairman (or, if not available, the Managing Director, or, if neither are available, another director) prior to undertaking a transaction; and
- (d) Employees and the Company Secretary must inform and receive approval from the Managing Director (or, if not available, from the Chairman), prior to undertaking a transaction.

It is intended that a request will be answered within 48 hours however no Dealing is to occur until clearance as been obtained.

### **Exceptional Circumstances**

Except where there is a matter about which there is Inside Information in relation to Company Securities, the Chairman (or 2 Directors in the case of the Chairman) may give clearance during a Closed Period for a Director, the Company Secretary or employee to sell (but not buy) Company Securities in Exceptional Circumstances.

The Director, the Company Secretary or employee seeking clearance to Deal in the Securities must outline in writing to the Chairman (or 2 Directors in the case of the Chairman) the circumstances of their severe financial hardship or as to why their circumstances are otherwise exceptional and that the proposed Dealing in the Securities is the only reasonable course of action available.

The Chairman (or 2 Directors in the case of the Chairman) will decide if Exceptional Circumstances exist and this decision will be final.

### **Notification of Trading in Fitzroy Resources Limited Securities**

Directors must notify the Company Secretary of any Dealings in the Company's Securities within two business days of such Dealing including those Dealings in Securities not registered in the Directors name but in which the Director has a Relevant Interest. Details to be provided include the date of the change, the number and class of the Securities subject to the change and the nature of the change, for example on-market transfer. The Director will also provide details of the consideration payable in connection with the change, or if a market consideration is not payable, the value of the Company Securities the subject of the change.

### **Policy Extends to Trading in Other Entities**

This policy also applies to Directors, the Company Secretary and employees trading in the securities of other entities with which the Company has business dealings and which are listed on the ASX or any other financial market.

### **Further Information**

Employees who are unsure about any information they may have in their possession, and whether they can use that information for Dealing in the Company's Securities or securities of another entity, should contact the Company Secretary

### **DEFINITIONS**

In this Policy on Dealing in the Securities of Fitzroy Resources Limited:

**"Associate"** includes nominee companies, spouses, dependent children, family trusts and superannuation funds.

**"Company"** means Fitzroy Resources Limited (ACN 145 590 110).

**"Deal" or "Dealing"** includes any transaction associated with buying, selling or subscribing for a Security.

**"Director"** means a director of the Company.

**"Exceptional Circumstances"** means circumstances of severe financial hardship whereby the Director, the Company Secretary or employee has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Securities

**"Inside Information"** is information that if it was generally available and known to the market would have material effect on the price or value of the applicable security, and may include, without limitation:

- Material exploration results;
- resource or reserve estimates;
- results of technical studies (including, but not limited to, scoping, pre-feasibility and feasibility studies);
- acquisition or disposal of tenements (including by way of Joint Venture/Farm in or Option)
- borrowings;
- liquidity and cash flow information;
- significant changes in operations;
- management restructuring;
- significant litigation;
- impending mergers acquisitions, reconstructions, takeovers; and
- major asset purchases or sales.

For the purposes of this Policy, information is taken to be **material** or will have a **material effect** if the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of the Company's Securities

**"Relevant Interest"** a person has a Relevant Interest in Securities if they:

- are the holder of the securities; or
- have power to exercise, or control the exercise of, a right to vote attached to the securities; or
- have power to dispose of, or control the exercise of a power to dispose of, the securities.

**"Security"** includes shares, debentures, rights, options, employee options, prescribed interests and warrants.